

**Commonwealth of Massachusetts**

**FY2004 Closing Instructions**

**MMARS, PCRS, HR/CMS, e\*mpac**

**Issued By:**

**Office Of The Comptroller**

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# FY2004 Closing Instructions

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## Section 1

### Introduction and General Information

This year marks the eighteenth and final closing of the current version of the Massachusetts Management Accounting and Reporting System (OldMMARS). The Office of the Comptroller (CTR) is publishing these instructions to highlight the most important aspects of the OldMMARS closing. Instructions for the opening of NewMMARS will be issued in a separate document. We use the terms OldMMARS and NewMMARS to differentiate between the two versions of MMARS that will be in use at the same time. Once we have completed the transition, sometime in FY2005, the accounting system will again be referred to as simply MMARS.

CTR is publishing these instructions to highlight the most important aspects of OldMMARS closing. Please be aware, however, that this document includes only selected material of general interest that relates to the fiscal year opening. Refer to the [NewMMARS Web site](#) for more complete directions relating to data cleansing and other transitional activities. The identical Key Dates Matrix (section three) will be included in both the closing and the opening instructions.

- Because of the conversion to a new accounting system, we recommend that departments do everything they can to close out FY2004 as early as possible. Departments that have no lingering FY2004 business will find that the transition to NewMMARS proceeds much more smoothly.
- Once period 12 closes in accounts payable, department staff must enter an accounting period in each payment document. The system will no longer infer period 13. See Section 6, *Disbursement Management*, for detailed instructions.
- Departments and Secretariats are reminded that any reorganization must be authorized in legislation. Staff must work for the department where they are paid unless there is an approved ISA. Programs cannot be transferred to other departments without legislative authorization.

#### Close/Open Meeting

Chief Fiscal Officers and staff with fiscal responsibilities are invited to join the Office of Comptroller Executive Staff for the annual Closing/Opening meeting being planned to help you through this transition. Because of the amount of new information resulting from the system conversion, we will be presenting **three** general sessions, two on April 12<sup>th</sup> in Boston and one on April 15<sup>th</sup> in Shrewsbury. Please register for one of the following sessions by sending registration to [Registrar@osc.state.ma.us](mailto:Registrar@osc.state.ma.us) or call Deb Marcotti at 617-973-2303.

Breakout sessions for specific NewMMARS topics will be available at the Federal Reserve Bank throughout the meeting day. Details on these sessions have been sent to NewMMARS Liaisons. We anticipate that many will want to attend these Close/Open meetings due to the NewMMARS transition. Please register online at: <http://newmmarsproject.osc.state.ma.us/newmmars/NewMMARSWorkshop.asp> or if you are a **non-MAGnet department**, please send an email to [NEWS-MMARS-PROJECT?subject=MMARS Sessions Registration](mailto:NEWS-MMARS-PROJECT?subject=MMARS%20Sessions%20Registration) with your department, your name, email address, and desired session(s) and time(s).

#### General Overview Sessions

**Date: April 12, 2004 9:00 am to 12:00 pm & 1:00 pm to 4:00 pm**

Federal Reserve Bank Auditorium  
600 Atlantic Avenue, Boston, Massachusetts

**Date: April 15, 2004 10:00 am to 1:00 pm**

Foyer Hoagland Amphitheater  
222 Maple Avenue, Shrewsbury, Massachusetts

See website below for directions to the Amphitheater:

<http://www.umassmed.edu/conferencecenter/facilities.cfm>

## **Internal Controls**

Chapter 647 of the Acts of 1989, known as the *Internal Control Law*, sets forth the standards for internal controls at state departments. This law requires all departments to establish internal controls in accordance with requirements developed by the Office of the Comptroller. These requirements are set forth in the Internal Control Guides that are published by the Comptroller's Office. The two internal control guides, the *Internal Control Guide for Managers* and the *Internal Guide for Departments* should be used as a basis for updating department internal controls. We are currently in the process of updating this guidance in accordance with the NewMMARS changes. As the guides state, managers are accountable for the adequacy of internal control systems in their departments. Department management must verify that *Closing and Opening* transactions comply with laws, rules, and regulations. This compliance should be the same as that required for transactions processed at all other times during the fiscal year. For additional information, see the section titled Internal Control Information on the Comptroller's Internet page: <http://www.mass.gov/osc>.

In conjunction with the State Auditor's Office and the audit firm of Deloitte & Touche, LLP, CTR will continue reviewing internal controls during the audit of FY2004. Auditors will analyze departments' internal controls in depth. As part of the FY2004 single audit, auditors will review certain department activities to ensure that internal control plans accurately reflect department procedures and controls. As in previous years, we will use the Internal Control Questionnaire as the first step in this process. It is particularly crucial during periods of transition and re-organization, that departments practice good internal control.

## **Single Audit**

At the conclusion of the FY2003 Statewide Single Audit, the Commonwealth issued the following three reports:

- *Statutory Basis Financial Report (SBFR),*
- *Comprehensive Annual Financial Report (CAFR), and*
- *Reports on Compliance and Internal Control in Accordance with Government Auditing Standards and the Requirements of OMB Circular A-133 and the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2003.*

The Government Finance Officers Association (GFOA) awarded the Commonwealth's FY2002 CAFR their Certificate of Achievement in Financial Reporting. The FY2003 report has been submitted to GFOA for review. All of the FY2003 Audit Reports are available through the Comptroller's website <http://www.mass.gov/osc>.

## **Section 2**

### **Closeout of OldMMARS**

The OldMMARS system will be accessible as usual through the end of the accounts payable period. Even though the system will be available during July and August, all FY2005 business will be conducted in the NewMMARS system. Departments will be using both systems during this time; therefore, security for both old and new MMARS will be active at the same time.

Part of the NewMMARS strategy is to improve and streamline certain business practices and processes. As a result, some business policies and procedures will be modified to take advantage of the improved functionality of the application. Conversion of data from OldMMARS to NewMMARS is a critical component of implementing the NewMMARS system that will enable business functions to continue seamlessly and successfully. While the majority of data conversion from OldMMARS to NewMMARS will be accomplished through an automated process that is invisible to most end-users, a few conversion tasks require departments to specify how their existing data should appear in NewMMARS. The following list shows general activities for all departments prior to July 1<sup>st</sup> to closeout OldMMARS.

- Removal of unnecessary data from OldMMARS.
- Comparison of vendor and customer files.
- Comparison of multi-year obligations and contracts.

The business areas contained in the later sections of this book provide details of these activities.

#### **Significant change**

It is essential that all time for contract employees for FY04 services are entered in HR/CMS prior to the split week payroll (scheduled to run July 9<sup>th</sup> for check distribution on July 16<sup>th</sup>). There will be no accounts payable for contract employees.

Historically, HR/CMS assigned payroll charges during the split week based on the time posted in HR/CMS as well as rules that defined how additional pay should be allocated. The HR/CMS/LCM/PCRS team is determining the most efficient and less risky approach to handling payroll expenses during the pay period that spans two fiscal years. Current thinking is that we use a prorating methodology and earning code configuration in HR/CMS in determining the fiscal year split. Earnings codes that are currently configured to post to current fiscal year will post to FY05 (for example, retro codes). However, most codes are configured to split by the date associated with the earnings. Since we will not be sending detail dates, we will prorate all the earnings based on the number of workdays in the period. Departments should review their budget and projected payroll expenses to assure adequate funding based on prorating all remaining earning codes based on assigning 30% of charges to FY04 and 70% of charges to FY05. Detailed information on the final approach for handling split period allocation of dollars will be communicated to all users.

#### **Interface Management**

Effective with the closing of accounting period 12 2004, only approved payment interfaces will be accepted. All other revenue, receivable and procurement interfaces will be prohibited from processing in MMARS. Authorized payment interfaces will be supported until the close of the accounts payable period. The Interface Management team has provided specific guidance on the changes to authorized MMARS payment interfaces required to successfully process during the accounts payable period under separate cover.

### **Section 3**

#### **Key Dates**

**[To be inserted]**



## **Section 4**

### **Appropriation and Account Management**

#### **Introduction**

This section highlights management of accounts through the FY2004 Closing process. You will find detailed information regarding appropriations and balances forward. Account management should be a primary concern when scheduling transactions. It is the responsibility of the departments to coordinate Secretariat and Executive Office of Administration and Finance (ANF) approval for the prerequisite transactions.

#### **Balances Forward (BF)**

The first automated BF transaction, for appropriation account types 02, 03, and 04 will be generated after final FY Closing payroll and fringe are processed. Fringe and Indirect are scheduled to occur on July 14, 2004. BFs will process for appropriations types 02, 03, and 04 and are scheduled for July 16, 2004. Thereafter, BFs will process weekly.

BFs will not occur in appropriation account type 01 and account type 02, where the original authorization has expired, unless authorized in successive legislation and only in amounts allowed by that legislation.

Appropriation account type 01 BFs will be processed manually upon enactment of the GAA or any subsequent legislation providing BF authorization. Departments with type 01 continuing appropriations should contact the Help Desk regarding BF. BFs will not process in allocation accounts unless there is a valid ISA in place for FY2005.

#### **Spending and Revenue Account Inactivations**

Spending and revenue accounts are routinely "rolled" into the new accounting fiscal year. There are a surprising number of spending accounts that had one-time activity several years ago, but continue to be maintained as active accounts on the ASTA table, or have not deposited any revenue for the past 4 fiscal years but continue to be maintained on REVB.

With input from departments, ANF is purging these old accounts from FY2004 so they are not carried forward into NewMMARS. To do this, the account will be inactivated in FY2004 on Wednesday, April 7, meaning that no further FY2004 activity can be posted in the account, and its information will not be populated in the NewMMARS APPR table in FY2005. Of course, if the General Appropriation Act or a Supplemental Budget creates a new account, its information will be added to the APPR table and the appropriated funds will be populated accordingly.

Likewise, CTR's General Accounting Bureau is deactivating inactive revenue accounts from FY2004. If subsequent FY2004 activity is needed, they can always be reactivated. As always, if a revenue account is needed by a department in FY2005 and beyond, CTR's General Accounting Bureau will be happy to work with them to establish the account in NewMMARS.

#### **Expiring Capital Accounts**

Departments are reminded that if accounts are not re-authorized as of July 1<sup>st</sup>, departments may not continue services of employees or contractors in these accounts. Contracts must be terminated or suspended, personnel must be terminated, or contracts or personnel must be transferred to other appropriate accounts authorized for these types of expenditures. Expenditures incurred against other accounts during this period may not be retroactively transferred to these accounts should the account be re-authorized. See Expenditure Correction (EX/XA) below.

#### **Federal Grants**

Departments are reminded to submit proper documentation to ANF and CTR for all federal grants. Departments will begin receiving federal award letters in late summer and early fall. Award letters for the new federal fiscal year should be forwarded to the ANF Budget Director and to the CTR Accounting Bureau. The award letters (or an attachment) should clearly indicate the department name, Catalog of Federal Domestic Assistance (CFDA) number, and appropriation number. Refer to the [Policies section](#) of the Knowledge Center and [Administrative Bulletin A&F-3](#) for more information.

Please note that if the CFDA # has changed on the new grant award, please contact Robert McDonald immediately as the ASTA record will need to be updated. Federal allocation accounts will not participate in the automated balance forward program scheduled for the close of accounting period 12. Residual Cash balances in federal allocation accounts will be returned to the parent accounts at the end of the accounts payable period.

Departments participating in the automated central draw for federal programs should remember to submit any modifications necessary to prevent the disruption of draws. This includes any changes to letter-of-credit, ACH, sub-account data. Changes should be submitted to the Accounting Bureau as soon as they become known.

Departments completing weekly SUBA allocation amounts should take extra caution to properly post draw requests by budget fiscal year. The ViewDirect reports 210HV, 210HP and 210HA should be utilized to accomplish this task.

### **Irregular Balances**

All appropriation types 01, 02, 03 irregular balances **MUST** be resolved by June 30<sup>th</sup>. Appropriation type 04 irregular balances **MUST** be resolved by September 15<sup>th</sup>, 2004.

Departments are reminded that spending on a federal grant account is limited to their authority to draw funds, from the federal government, for that particular program within the state's budget fiscal year. Departments with unresolved irregular balances in federal accounts, beyond the final closing year draw date/receipt (second week in September), may be considered in violation of [M.G.L. c. 29 §26](#).

### **Expenditure Corrections (EX/XA)**

EX and XA documents to correct closing year activity should be submitted no later than the close of the accounts payable period. EXs and required XAs, with proper documentation, should be submitted to the General Accounting Bureau at CTR. **Expenditure corrections for FY2004 entered after AUGUST 31, 2004 will not be processed.**

Departments are also reminded that when a department certifies expenditures, the department is certifying that the expenditures were properly spent from that account. The Comptroller will not make journal entries (expenditure corrections) between accounts if the account ultimately to be charged had insufficient funds at the time the amount was expended, unless prior notice is sent to House and Senate Ways and Means. See [M.G.L. c. 7A, §3](#). Therefore, EXs are appropriate only for actual mistakes, not for expenditures posted to one account in anticipation of funding in another account. Expenditures for contracts or personnel that are transferred to other account(s) because an account was not reauthorized, was reauthorized late, or was not established (child account for an ISA) **MAY NOT** retroactively transfer the expenditures incurred in the other accounts to the reauthorized or newly established account.

## **Section 5**

### **Encumbrance Management**

#### **Introduction**

This section provides detailed guidance on finalizing year-end encumbrances and initiating encumbrances for the new fiscal year. Departments are encouraged to read these instructions thoroughly in order to minimize unnecessary delays and problems with the fiscal years closing and opening. Departments are reminded that all goods and/or services to be charged to FY2004 must be received in the respective department locations no later than June 30<sup>th</sup>. If a product acceptance period is required, it must conclude prior to August 31<sup>st</sup>. There must also be a sufficient encumbrance for such goods and/or services. The actual vendor invoice and the payment to the vendor may take place at any time after the two prior steps, but before August 31<sup>st</sup>. Departments should require all contractors and vendors to submit final invoices no later than August 13<sup>th</sup> to enable sufficient time to process payments by August 31<sup>st</sup>. Departments should finish routine encumbering for all appropriation types by June 15<sup>th</sup> and use the balance of the fiscal year to handle adjustments.

The deadline for receipt of goods and/or services by June 30<sup>th</sup> is firm. During the months of June, July, and August, OldMMARS will automatically reject PVs that do not reference an approved encumbrance. On July 1<sup>st</sup>, the tolerance for all encumbrances will be set to zero percent for accounts payable payments. Departments may manually lapse encumbrances before June 30<sup>th</sup> if no longer necessary.

Interdepartmental chargeback departments must enter IE modifications to finalize FY2004 estimates for May and June no later than May 28<sup>th</sup>. FY2004 IEs must be in "DONE" status prior to June 30<sup>th</sup>.

We expect all accounts payable bills, including employee payroll, to be fully paid by August 31<sup>st</sup>. As of September 1<sup>st</sup>, OldMMARS will not allow any FY Closing payments to be processed unless approved by ANF and recorded on the APEN table. Immediately after August 31<sup>st</sup>, all encumbrances will be automatically lapsed.

#### **Data Cleansing**

- For FY2004 Multi Fiscal Year Ready Payment vendor specific SC encumbrances, departments need to be sure each has the "Comment" field on the header of the SC completed with a 12-digit alphanumeric "Check Description" for conversion to NewMMARS in FY2005.
- In NewMMARS, an encumbrance cannot have both ready payment and non-ready payment. If any FY2004 Multi Fiscal Year SC encumbrances have both, departments need to split these into two separate SCs. This action will allow the ready payment piece to successfully convert to the NewMMARS RPO transaction and the non-ready payment piece to convert to the NewMMARS CT transaction.
- Out-year SCs and LOs must be completed properly to successfully convert out-year data from FY2004 into NewMMARS. See <http://www.osc.state.ma.us/newMMARS/DeptImpGuidelines.asp> for additional guidance.
- Departments should be reviewing their Multi Fiscal Year FY2004 encumbrances to ensure that the correct encumbrance type was used in order to successfully convert to the correct encumbrance transaction in NewMMARS.
- Guidance and policy regarding Tax-Exempt Lease Purchasing (TELP) (Object Codes L01-L13), Term Lease and Rentals (Object Codes L21-L33) are available on the [Knowledge Center](#). It is critical that departments' leases are recorded in OldMMARS inclusive of Out-year Obligations and in accordance with these policies.

#### **PEND2**

ANF, with the assistance of CTR, plans to handle encumbering at the FY2004 Closing in a manner very similar to last year. This means that Executive Departments must take the necessary steps to conclude their FY2004 encumbering activity in budgeted fund accounts by noon on Friday, May 28<sup>th</sup>, 2004.

Effective Tuesday, June 1, 2004, the transactions listed below, in the departments listed below, will require PEND2 approval in order to be accepted in MMARS, if they are greater than \$25,000.

Transactions that are less than \$25,000 will not require PEND2 approval.

LO	Lease Order	PO	Miscellaneous Encumbrance
PD	Departmental Purchase Order	SC	Service Contract
PG	Price Agreement	SM	Service Modification
PH	Payroll Hold	SR	Service Request

AGR	CAD	DCC	DMR	DOS	EED	EQA	ITD	MIL	OSD	SOR
ALA	CDA	DCP	DOB	DPH	EHS	EQE	JLM	MRB	PAR	SRC
ANF	CHE	DCR	DOC	DPS	ELD	FWE	LIB	MRC	POL	TRP
ATB	CHS	DFS	DOE	DPU	ENE	GIC	LRC	OCD	REG	VET
BCA	CJT	DIA	DOI	DPW	ENV	HCF	MAC	OFC	RMV	WEL
BLC	CME	DMA	DOL	DSS	EOL	HLY	MCB	OHA	SCA	
BSB	CSC	DMH	DOR	DYS	EPS	HRD	MCD	OSC	SEA	

In rare instances, unforeseeable circumstances may require some encumbrances and encumbrance modifications to be processed during June. Every reasonable effort must be made to avoid this.

Departments should not expect any discretionary encumbrance transactions involving increases of \$25,000 or more in budgeted fund accounts (appropriation type 01) to be approved in June. Since MMARS edits apply to transactions regardless of the account's appropriation type, transactions for all appropriation types initially will go to PEND2 in MMARS. Transactions which use budgeted fund accounts (appropriation type 01), alone or in conjunction with accounts in other appropriation types, will be reviewed by ANF. Those that use only capital, trust or federal accounts (appropriation types 02, 03 or 04) will routinely receive PEND2 approval from CTR.

Departments should finish routine encumbering for all appropriation types by June 15<sup>th</sup> and use the balance of the fiscal year to handle adjustments. The last day that the Office of the Comptroller will be open for fiscal year 2004 business is Wednesday, June 30<sup>th</sup>.

The Budget Director will be issuing specific guidance on the process for requesting ANF's approval of late transactions using budgeted fund accounts in April. However, as noted above, exceptions to the May 28<sup>th</sup> deadline are expected to be very limited. Departments are strongly advised to manage their work now to meet the May 28, 2004 deadline.

### **No Late Encumbrance Processing**

Departments are reminded to conduct a thorough review of their financial status to ensure that there will be sufficient funding reserved to cover all commitments incurred during the fiscal year. The Procurement Unit has identified the top five reasons why late encumbrances are submitted to CTR in July and August. Each of these can be avoided with proper planning and review before the end of June.

#### **1. Payment Voucher (PV) coded with "F" for Final Payment:**

As many Departments have learned the hard way over the years, it is important to only use the Final Indicator "F" on a PV when it is certain that the final payment has been made and the balance of the encumbrance should be liquidated. This action completely closes out the encumbrance so that no further payments can be made. While it is possible to reinstate a closed out encumbrance, it is quite a cumbersome process, which require departments to enter a modifying encumbrance transaction with \$0.00 and submit the documentation to CTR for electronic approval.

#### **2. Incorrect Encumbrance Transaction Type:**

Departments should be reviewing their encumbrances to ensure that the correct encumbrance type (SC,

LO, PD, etc.) was used in order to avoid rejected payments. This task should be completed before the end of June.

3. **Change of Accounting Line on Existing Encumbrances:**

Departments should be finalizing their review of accounts and associated encumbrances to ensure that commitments are made in the proper accounts. This type of transaction must be completed in mid June.

4. **Intragovernmental Encumbrances (IE):**

In prior years, late IEs have been increasing. Reports from Seller Departments this year indicate that all IEs have been issued. Therefore, User Departments must finalize IEs by mid June.

5. **Downward Contract Amendments:**

All downward Contract and Lease Amendments must be completed by close of business the end of June. Any decreasing encumbrances after this date will be handled via the year-end lapsing program at the end of the accounts payable period.

Departments should be aware that there are no planned procurement resources to support encumbrance approval after June 30<sup>th</sup>. The Procurement Unit staff will be deployed to manage business for opening the new fiscal year and the Quality Assurance Program.

**Goods And Services**

The close of the fiscal year falls on Wednesday, June 30, 2004. The last business day of FY2004 will be on June 30, 2004. All goods and services to be paid for with FY2004 funds must be received before or on June 30, 2004. There are no exceptions. The first day of FY2005 will be Thursday, July 1, 2004.

All encumbrances for FY2004 must be entered into the accounting system by June 30, 2004. If documentation must be submitted to the Office of the Comptroller, it must be received by the close of business Wednesday, June 30<sup>th</sup>.

During the final quarter of the fiscal year, departments should perform a monthly review to ensure all encumbrances are in place to support department needs. ANF has a May 28<sup>th</sup> deadline for Executive Departments with encumbrances greater than \$25,000.

## **Section 6**

### **Disbursement Management**

#### **Introduction**

This section highlights the management of expenditures during the FY Closing processes. State Finance Law requires that annual appropriations may be expended only for expenses for the same fiscal year. See [M.G.L. c.29, §12](#). This means goods and services to be paid for with current fiscal year appropriations must be received and accepted within that same fiscal year (July 1-June 30) (see [M.G.L. c. 4, §7](#)). You will find detailed information and procedures regarding the closing of Dynacash accounts.

#### **Payment Voucher (PV)**

Under no circumstances should FY Closing funds be used for FY Opening expenditures or vice-versa, unless specifically allowed with appropriate legislative language. Payments after June 1<sup>st</sup> must reference encumbrances. The system will automatically reject PVs entered after June 1<sup>st</sup> without an encumbrance. Departments are reminded to confirm with vendors that all goods and services are to be received or completed by June 30<sup>th</sup>. All goods and services paid for with FY2004 funds must be received by June 30<sup>th</sup>. If a product acceptance period is required, it must conclude prior to August 31<sup>st</sup>.

#### **Processing Payment Vouchers**

Accounts payable PV transactions in the suspense file that are not in DONE status overnight on June 30<sup>th</sup> /July 1<sup>st</sup> may reject on July 1<sup>st</sup> with a variety of error messages and must be corrected:

- Use accounting period 12 2004 and leave budget fiscal year blank.

#### **Ready Payment System (RP)**

Ready Payment transactions will be system-produced throughout the accounts payable period.

#### **Revenue Refunds (RF)**

RFs entered into OldMMARS on July 1<sup>st</sup> will go to PEND5 until accounting period 12 closing and require CTR approval. CTR will ensure that all FY2004 refunds are posted to the accounting period 12.

#### **Request for Advance (RA), Expenditure of Advance (EA), Advance Refund (AR)**

The department must account for all FY2004 advances before any FY2005 advance will be processed. In most cases, the target date is July 10<sup>th</sup> but no later than August 31<sup>st</sup>. This accounting is performed through documentation of the expenditure of the advance (EA) or cash repayment of any balance remaining by processing an advance refund (AR).

From July 1<sup>st</sup> until August 31<sup>st</sup>, if an EA transaction references a prior year encumbrance, you must enter the accounting period 12 2004.

In order to close the type 05 (Dynacash) FY2004, the following steps must be taken:

1. The department deposits a check into its sweep account and prepares a negative CD. (Do not enter the CD decrease into MMARS.)
2. The department prepares an AR and enters the AR into a PEND5 status.
3. The department mails the original AR, along with the negative CD, to TRE.
4. When the funds appear on the TRE cash sheet, CTR will approve the AR. Do not send a copy of the AR to CTR.

#### **Departments With Emergency Payroll Dynacash Accounts**

This subsection pertains to Dynacash accounts used for emergency payroll payments at fiscal year end. All departments must account for FY2004 advances prior to FY2005 advance requests. We recognize that there is a timing issue for Dynacash accounts and related advance processing at fiscal year end when there have been emergency payments issued.

If there is a need to issue an emergency payroll check from a department's Dynacash account for the payroll period May 30<sup>th</sup> – June 12<sup>th</sup> (checks dated June 18), then the recoupment of the Dynacash amount in the following payroll cycle, June 13<sup>th</sup> – 26<sup>th</sup> will be credited back to the department's Dynacash account on July 2<sup>nd</sup>.

*If there is an employee check problem during the June 13<sup>th</sup> - June 26<sup>th</sup> cycle, departments will need to issue a Dynacash check on July 2<sup>nd</sup>. This payment must be issued from an FY2005 advance. FY2005 requests for advance (RA) may be entered into NewMMARS during June in a reject status. Documentation should be forwarded to CTR and will then be processed on July 1<sup>st</sup> or July 2<sup>nd</sup>. Please e-mail Payment Unit (See [www.mass.gov/osc/Staffinfo/ContactList.html](http://www.mass.gov/osc/Staffinfo/ContactList.html).) with any emergency requests.*

A few departments will have FY2005 requests for July 2<sup>nd</sup> payroll checks pending before the return of the FY2004 advance. In those cases, the request for the FY2005 advance must be accompanied by the CFO's verification that a Dynacash deduction is pending for a July 2<sup>nd</sup> credit.

### **Expenditure Corrections (EX/XA)**

EX and XA documents to correct closing year activity should be submitted no later than the close of the accounts payable period. EXs and required XAs, with proper documentation, should be submitted to the General Accounting Bureau at CTR. **Expenditure corrections for FY2004 entered after August 31, 2004 will not be processed.**

### **Interdepartmental Voucher (IV)**

All FY Closing IVs entered into OldMMARS between July 1<sup>st</sup> and August 31<sup>st</sup> will go to PEND5 and require CTR approval. CTR will ensure that all FY Closing IVs are posted to the Closing FY's accounting period 12.

From July 1<sup>st</sup> until August 31<sup>st</sup>, if an IV transaction references a prior year encumbrance, you must enter the accounting period 12 2004.

### **Prior Year Deficiencies**

Completed requests to pay prior year deficiencies out of FY2004 funds must be submitted to the Comptroller's Office, Payments Bureau, no later than May 28, 2004.

### **Payee Management**

Forms W-9, T&Cs, and/or EFT authorization requests with wet signature continue to be required as supporting documentation by the Office of the Comptroller for approval in OldMMARS.

At the close of business on June 22, 2004, PSS will be closed in OldMMARS. Any necessary address or EFT modifications for vendors paid in accounts payable must be done in both OldMMARS and NewMMARS once PSS is closed through the accounts payable period.

### **Mass Finance and Vendor Web**

Vendors can see their scheduled payments and payment history by logging on Vendor Web. On-line you find the payment date, payment number, payment reference number, contract number, line amount, and the department making the payment. Vendor Web is located at <http://massfinance.state.ma.us>.

### **Tax Reporting Clearinghouse**

- The Payee and Tax Clearinghouse Unit is the official Commonwealth Clearinghouse for all matters related to Federal Income Tax reporting to the IRS and State Income Tax reporting to the Department of Revenue (DOR). This involves the filing as an employer and upkeep of the Internal Revenue's rules and regulations for compliance.
- The unit provides technical guidance to departments regarding their responsibilities pertaining to issuing and filing tax reporting information which is not captured at the detail level in MMARS and/or statewide automated payroll systems (HR/CMS and e\*mpac).

### **Unpaid Checks**

In tax year 2003, several form 1099 Corrections were issued because payees did not receive the monies in the year MMARS had documented. In each case the department internally held a check that it had requested Treasury to pull. Departments should not hold live checks longer than one day. If the request was with the objective to put them back into the accounting system, then this should be accomplished by means of a vendor specific ER or CB transaction. Departments must avoid situations that would allow checks issued in one tax year to be held until the next tax year. Checks must be deposited back to the Treasury with an ER or CB to avoid erroneous tax reportable payments appearing in the Forms 1099's issued to payees. Departments must process a Cash Deposit (CD) and then the appropriate Contract Backout (CB) or Expenditure Refund (ER) transaction.

If it is a prior year refund on a non-continuing account, deposit the check into the sweep account and a Cash Transfer (CT) into the general fund. Please contact the Help Desk for further clarification.



## Section 7

### Payroll Management

#### Introduction

This section provides detailed guidance on planning and coordinating payroll processing during the closing of FY2004. Departments are encouraged to read these instructions thoroughly in order to avoid unnecessary delays and problems. Departments are reminded that state finance law defines the budget fiscal year for all payments, including payrolls, to begin on July 1<sup>st</sup> and end on June 30<sup>th</sup> of the subsequent year. Services rendered by employees through June 30<sup>th</sup> must be charged to the FY2004 Closing.

**Since the fiscal year end of June 30<sup>th</sup> falls on the fourth day of the pay period, the split fiscal year processing will occur between FY2004 and FY2005.** Payroll charges for June 30<sup>th</sup> will appear in fiscal year 2004 reports and payroll charges that belong to July 1<sup>st</sup> and after will appear in fiscal year 2005 reports.

#### Payroll Hold Transactions

The PH encumbrance is needed to reserve that portion of your account balances that will be used to support accounts payable payrolls for state employees. Departments are reminded that there will not be an Accounts Payable payroll for contractor employees. Therefore, all contract employees must be paid on or before June 30, 2004.

#### Payroll Rejects (XD)

A Payroll Reject, the PCRS XD (LCM PRLDE) transaction (same for UMS), is generated when a payroll expense, which is processed by HR/CMS (e\*mpac for UMS), has missing or erroneous data (i.e., incorrect expense budget or a missing program code, etc.). All FY2004 payroll reject transactions and payroll accounts with negative uncommitted and unexpended balances must be corrected by **July 19, 2004**. Departments must post payroll rejects to accounting period 12 to ensure that payroll expenditures are recorded in the appropriate fiscal year.

#### Regular Employee and Contractor Payroll Refunds

For payroll refunds, departments are required to process the Expenditure Refund (XE) transaction (LCM PRRFC Current Year Refund Doc CD) for payroll processed through PCRS or a MMARS Contract Backout (CB) for contractor payroll on or before June 30<sup>th</sup>. Payroll refunds for non-continuing accounts, such as account type 01, received after July 1<sup>st</sup>, should be processed using the PCRS XC transaction for HR/CMS business. (LCM PRRFP Prior Year Refund Doc CD). These will be treated as miscellaneous revenue in the FY opening. Payroll refunds for continuing accounts, such as federal or trust accounts, received after July 1<sup>st</sup> should be processed through the PCRS XE transactions (LCM PRRFC Current Year Refund Doc CD) and will be credited to the department's FY Opening account.

#### Compensated Absence Reporting

Reconciliation of compensated absence reporting for employee vacation and sick leave balances is no longer necessary under HR/CMS. HR/CMS has 100% of all time and attendance and leave balances for Commonwealth employees; it is the official record of the Commonwealth. Report HMBEN008 as of June 30<sup>th</sup> is the official record for audit. **The final FY 2004 report for your department will be available on view direct by the end of the third week of July for your review.** Departments must verify that all accrued vacation and sick leave buyback balances are recorded on HR/CMS.

#### ERIP

For the Early Retirement Incentive Plans (ERIP), we will use the FY2002 data for the final FY2002 ERIP Plan buy-back payments. We are in the process of gathering data for the FY2003 ERIP Plan accruals.

#### Accounts Payable Payroll

##### Regular Employees and Fund 900 Contract Employees

The final FY2004 payroll will be pay period ending July 10, 2004 or check date July 16, 2004. Since the fiscal year end of June 30<sup>th</sup> falls on the fourth day of the pay period, the split fiscal year processing will occur between FY2004 and FY2005. Payroll charges prior to June 30<sup>th</sup> will appear in separate fiscal year reports.

Since the Payroll period ending July 10<sup>th</sup> will be split between Fiscal Years, any Pre June 30<sup>th</sup> postings will be considered FY2004 expenditures and will not charge to a Payroll Hold (PH).

Departments will have three opportunities to process accounts payable payrolls between July and August for services performed during FY2004 for which compensation is still owed. A MMARS Payroll Hold (PH) transaction must be established in OldMMARS prior to accounts payable payrolls being processed. (See Key Dates Section for schedule.)

#### **Departments with Emergency Payroll Dynacash Accounts**

This subsection pertains to Dynacash accounts used for emergency payroll payments at fiscal year end. All departments must account for FY2004 advances prior to FY2005 advance requests. We recognize that there is a timing issue for Dynacash accounts and related advance processing at fiscal year end when there have been emergency payments issued.

If there is a need to issue an emergency payroll check from a department's Dynacash account for the payroll period May 30<sup>th</sup> – June 12<sup>th</sup> (checks dated June 18), then the recoupment of the Dynacash amount in the following payroll cycle, June 13<sup>th</sup> – 26<sup>th</sup> will be credited back to the department's Dynacash account on July 2<sup>nd</sup>.

*If there is an employee check problem during the June 13<sup>th</sup> - June 26<sup>th</sup> cycle, departments will need to issue a Dynacash check on July 2<sup>nd</sup>. This payment must be issued from an FY2005 advance. FY2005 requests for advance (RA) may be entered into NewMMARS during June in a reject status. Documentation should be forwarded to our office and will then be processed on July 1<sup>st</sup> or July 2<sup>nd</sup>. Please e-mail Payment Unit (See [www.mass.gov/osc/Staffinfo/ContactList.html](http://www.mass.gov/osc/Staffinfo/ContactList.html).) with any emergency requests.*

A few departments will have FY2005 requests for July 2<sup>nd</sup> payroll checks pending before the return of the FY2004 advance. In those cases, the request for the FY2005 advance must be accompanied by CFO's verification that a Dynacash deduction is pending for a July 2<sup>nd</sup> credit.

Dynacash cannot be used to pay unfunded payroll expenditures.

#### **Payroll Certifications**

The Office of the Comptroller will be following up with departments to ensure that payroll certifications are on file. As part of the FY2004 Single Audit, these certifications will again be reviewed.

#### **Payroll Refunds**

With the implementation of HR/CMS/LCM, the handling of partial payroll refunds and full check cancellations (reversals) will change for FY05. Departments should deposit cash immediately to their sweep accounts and prepare a Payroll Refund Receipt Voucher (PRRV). The PRRV should be processed through the appropriate offices to confirm impact on retirement, etc. Starting with FY05, departments no longer need to enter adjusting entry, formerly known as "XE" in LCM. However, for FY04 prior year refunds, an XC in PCRS is still required. As usual, CTR will process the adjustment in HR/CMS when complete signed documents have been routed through the appropriate oversight agencies. More details will be forthcoming.

## Payroll Key Dates

### HR/CMS Payroll Processing Due Dates For FY2004/FY2005 Closing/Opening

#### Payroll Key Dates

##### DATES

June 1, 2004	Tuesday	Deadline for departmental requests for Account Specific Settings and DEACC Rules. ( <b>FY2005 Opening</b> )
June 1, 2004	Tuesday	Validate Rules Conversions. ( <b>FY2005 Opening</b> )
June 25, 2004	Friday	Final day for processing FY2004 payroll XE transactions in non-continuing accounts
June 25, 2004	Friday	Deadline for PH processing
June 25, 2004	Friday	Last day to enter time for services rendered June 13 <sup>th</sup> through June 26 <sup>th</sup> 2004.
June 28, 2004	Monday	LCM Labor Default Setup ( <b>FY2005 Opening</b> )
July 9, 2004	Friday	Final FY2004 Pay Period End Date/Split week payroll
July 16, 2004	Friday	Deadline for correcting FY2004 XD/XF transactions HR/CMS Advice and Check Distribution
July 19, 2004	Monday	All FY2004 payroll reject transactions and payroll accounts with negative uncommitted and unexpected balances must be corrected
July 26, 2004	Monday	Last day to enter AP payroll for payroll run on 7/27/04
August 09, 2004	Monday	Last date to enter AP payroll for payroll run on 8/10/04
August 23, 2004	Monday	Last day to enter AP payroll for payroll run on 8/24/04
August 31, 2004	Tuesday	Last day for FY04 XA's
September 1, 2004	Wednesday	PH Lapse (except departments with approved extensions)
September 16, 2004	Thursday	Final PH Lapse

## **Section 8**

### **Cash Receipts And Revenue**

#### **Introduction**

The clear and accurate accounting for cash and revenue is an important element in the closing. This section conveys important information regarding cash and receivables.

#### **Data Cleansing**

All Revenue Budgets with no activity for the past four fiscal years will be inactivated. If subsequent FY2004 activity is needed, the General Accounting Bureau at the Comptroller's Office can always reactivate them.

The NewMMARS conversion process will convert all MMARS REs that have an OREH Outstanding Balance amount of greater than \$0.00. These RE balances and all associated lines on the Open Receivable Line (OREL) tables will be established as Receivable Documents (RE) in NewMMARS. We have requested that departments evaluate all their open REs to determine if the open amounts are accurate, measurable, and collectible. Specifically, we have requested departments to identify and data cleanse all credit balance REs and REs with an outstanding balance of less than \$5.00.

#### **Receivables (RE, RI, RD, And WO)**

Revenue earned prior to June 30<sup>th</sup> must be recorded as a FY2004 transaction.

- PEND5 approvals for FY2004 REs, RIs, and RDs will be from July 1, 2004 to July 9, 2004 or the cut-off date will coincide with the running of the GAAP reports 286F and 286G.
- All revenue transactions in a PEND5 status must be sent to the Revenue Bureau in writing, attention Lillian Bennett, in order to be approved for FY2004.
- All write-off (WO) requests must be sent to the Revenue Bureau in writing by June 7<sup>th</sup>, attention Maria Bottari, in order to be approved for FY2004.
- Departments will not be allowed to write in non-BARS receivable adjustments on their 286F and 286G reports. All BARS adjustments must be entered in MMARS before the PEND5 cut off date, as dated above.
- Recurring receivables (REREs), scheduled to generate during the PEND5 period will process, go to a PEND5 status and be approved automatically. No special handling will be required for departments using REREs.

#### **Cash Receipts**

Cash receipts on hand or on deposit as of June 30<sup>th</sup> are FY2004 assets and revenue of the Commonwealth and need to be reflected as such on the annual financial statements. Final deposits, as of June 30<sup>th</sup> collections, must be posted by the bank by noon on July 1<sup>st</sup>. Revenue collected by June 30<sup>th</sup> will be credited to FY2004. Treasury (TRE) will process sweeps to properly credit closing year collections. (CTs should be entered by July 2<sup>nd</sup> and marked period 12 2004.) CTs will process nightly as TRE sweeps are posted. In the event that funds deposited with the bank by noon July 1<sup>st</sup> are swept late or posted to the opening year by TRE, departments should contact the Help Desk for assistance.

Deposits received at all sponsored lockbox banking facilities by 11:59 p.m. on Wednesday, June 30, 2004 must be recorded in OldMMARS as FY2004 revenue. TRE is requesting that the lockbox operators produce a lockbox deposit register (electronically or manually) that clearly defines the FY2004 deposits. Departments must reconcile the lockbox deposit register to OldMMARS to ensure that the deposits have been recorded in the appropriate fiscal year.

**PLEASE NOTE: adjustments for cash will be made ONLY with proof of deposit, i.e., a deposit slip/receipt, stamped with date/time, by the bank.**

#### **Central Draw Departments**

Departments participating in the automated central draw should ensure that there is no interruption in the draw process. Interruptions occur when federal reporting requirements are not met or when Department reconciliations are not performed timely. During the closing period, the automated central draw will post federal

revenues to the appropriate state budget fiscal year to match the processing of payments. CTR will notify departments whose draws fail, to determine and effect a prompt solution.

### **Non Central Draw Departments**

Departments unable to participate in the automated central draw process are expected to prepare their draw requests timely. For those departments whose programs are included in the federal/state agreement for CMIA, draws should be completed in accordance with the agreement signed by the department. For programs not included in the CMIA agreement, draws should be completed and receipts posted to MMARS within two weeks of the expenditure date.

### **Cross Fiscal Year Revenue**

FY2004 receivables with an outstanding balance on July 10, 2004 will be converted into NewMMARS. See opening instructions for NewMMARS.

### **Advance Refunds (AR), Contract Backouts (CB), Expenditure Refunds (ER/XE)**

AR, CB, ER, and XE documents must be deposited in the bank by noon of the first business day in July.

Because of the matching process between TRE deposits and MMARS documents in approving AR, CB, ER, and XE documents, the above guidelines must be followed in order to ensure that the transactions are recorded in the proper fiscal year. Departments are responsible for resolving AR, CB, XE, and ER documents on both the MMARS suspense file and the PCRS holding file. Please see Section 3 for special dates on XE/XC.

Effective July 12, 2004, the Commonwealth will have two payroll labor cost accounting systems. The current PCRS system will remain in use to finish FY2004 business. The new Labor Cost Management (LCM) system will begin with FY2005 business. After July 1, please contact the Help Desk for the processing of XE/XC transactions that relate to accounts payable payroll.

Please see the Opening book for the procedures for NewMMARS documents pertaining to Advance Refunds (AR), Vendor Expenditure Refunds (ER), and Payroll Refunds (PRPFC/PRPFP).

### **Revenue Refunds (RF)**

Please refer to Section 6, Disbursement Management, of these instructions for information on processing RF documents during the months of June and July.

### **Reconciliation of Revenues**

To ensure that cash and revenue are properly reflected, departments should use the following reports to reconcile receipts:

- Report 467A Advance Refunds
- Report 469A Cash Receipts
- Report 468A Expenditure Refunds (CB, ER & XE)
- Report 430A Receivable Detail

Departments requiring adjustments after the close of period 12 should contact the Eric Dickstein at CTR.

### **Clearing Accounts**

To ensure that all deposits reflected in clearing accounts are fully allocated for FY Closing, departments should enter CTs in OldMMARS at the same time that deposits are made for cash received through June 30<sup>th</sup>. All cash received through the close of business on June 30<sup>th</sup> must be deposited by noon on July 1<sup>st</sup>. All CTs should be entered in OldMMARS by Friday, July 2<sup>nd</sup>. Departments should enter accounting period 12 2004 onto the CT transaction: **DO NOT LEAVE THE ACCOUNTING PERIOD BLANK**. Initially, these CTs may be in "REJCT" STATUS on SUSF, but during the nightly cycle, they will automatically be clearing these documents. **ALL CLEARING ACCOUNTS (FUND 699) MUST BE ZEROED OUT BY THE CLOSE OF PERIOD 12.** Departments needing assistance should contact the Help Desk.

### **Electronic Transfers (Wire of Dept. Bank Deposits to TRE)**

Receipts credited through electronic transfers, such as lockboxes, must be received by June 30<sup>th</sup> for posting on FY2004 revenue. The Office of the State Treasurer will complete its sweep of lock box and intermediary banks on July 1<sup>st</sup>. Deposits made after June 30<sup>th</sup> will be considered FY2005 business.

**Debt Collection**

The Commonwealth's statewide contract for debt collection services engages private debt collection agencies to collect outstanding debt on behalf of the Commonwealth. All FY2004 collections made by a debt collection agency on behalf of a department must be deposited into the department's approved bank account by noon July 1<sup>st</sup>, 2004. FY2004 Payment Vouchers for cash received by the fiscal year closing will be processed during the Accounts Payable period. Any funds deposited after 12:00 p.m. on July 1<sup>st</sup>, 2004 will be recorded as FY2005 revenues.

**Intercept**

As part of CTR's debt management function, and [815 CMR 9.00](#) authorize the Comptroller to automatically offset eligible payments to delinquent debts. All intercepts performed by June 11, 2004 will automatically be recorded as FY2004. Intercept processing will be suspended on June 11<sup>th</sup>, 2004.

## Section 9

# GAAP, Fixed Assets, and Special Higher Education Reporting

### Introduction

This section outlines GAAP requirements for departments, as well as special instructions for Higher Education Institutions.

### Data Cleansing

Higher Education Institutions were asked to remove all the maintenance fixed asset detail from the fixed asset sub-accounting system at the Comptroller's Office. Most of the institutions have participated in this clean-up effort. Please contact the Help Desk, if you have any questions related to the fixed asset information.

### Generally Accepted Accounting Principles (GAAP)

Since FY1986, the Commonwealth has issued an audited Comprehensive Annual Financial Report (CAFR) with financial statements prepared according to [Generally Accepted Accounting Principles \(GAAP\)](#). Since FY1990, the CAFR has received unqualified opinions from the independent auditors, and the CAFRs for FY1990 through FY2002 have been awarded the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The FY2003 CAFR has also been submitted to the GFOA Certificate of Achievement Program. Beginning with FY2002 the Commonwealth has implemented GASB 34 CAFR reporting.

These GAAP based CAFRs, and their recognition for excellence, are increasingly important to the financial community as a measure of the Commonwealth's fiscal responsibility. The quality of CAFR financial information depends upon individual and departmental efforts to prepare timely and accurate GAAP reporting packages.

The basic FY2004 departmental GAAP instructions, including forms, will be issued by April 30<sup>th</sup>. The GAAP reporting package is due back to CTR by August 9<sup>th</sup> 2004. Any department that submits their information after this deadline may be subject to an audit finding.

Encumbrance management practices will again be relied upon to provide the basis for most accounts payable reporting. Information from the fixed asset sub-system of OldMMARS will also be relied upon. Departments that prepare GAAP information beyond the basic GAAP Departmental reporting will be contacted individually to review and coordinate FY2004 special GAAP reporting.

As in prior years, separate GAAP Instructions will be published to provide a detailed walk-through of procedures and sample forms/reports to be used. Major points of emphasis will be:

- 1). Use of BARS reports to support analysis of accounts receivable, allowances for uncollectible and deferred revenue. Special assistance will be provided to departments with complicated reporting issues. **All BARS adjustments must be entered in MMARS before the PEND5 cut off date of July 9, 2004 and the July 10, 2004 accounts receivable roll to FY2005.**
- 2). Timely departmental review and update of HR/CMS data to support accurate compilation and audit of compensated absence accruals.

GAAP concepts and due dates will be covered in Closing and Opening training. Separate training sessions on the specialized reporting will be scheduled, if necessary.

### Fixed Assets

Departments that own fixed assets are responsible for recording all acquisitions, betterments, changes, transfers, and dispositions for GAAP fixed assets and for a physical inventory of non-GAAP fixed assets. Certain leases must also be identified as fixed assets. Please refer to the [Comptroller Policies on the Knowledge Center](#) and the [Procurement Policies and Procedures Handbook Chapter 4](#) for additional information.

- Departments should process all FA, FB, FC, FD and FT transactions **at the time of acquisition of the asset**. All Fixed Asset transactions must be done in OldMMARS by June 30, 2004. Any FY2004 transactions processed after June 30, 2004 may be subject to an audit finding.

- The FC transaction requires a PEND5 approval. Copies of FCs should be forwarded to Trish McKenna, Accounting Bureau, Office of the Comptroller. Supporting documentation must be submitted with any FC that requires a cost change. This could include any invoice and/or PV that reflects the correct cost of the asset.
- Non-GAAP Fixed Assets must be inventoried and controlled.

The following reports have been added to the list of Fixed Asset Reports and are available to departments on View Direct and/or Document Direct:

#### **List of Current Fiscal Year Fixed Asset Reports**

RPT850A	Fixed Asset Transaction - Weekly Detail Report By Fiscal Year
RPT850B	GAAP Fixed Asset Acquisition Transactions by Secretariat, Department, Asset Type by Fiscal Year (FA, FB)
RPT850C	GAAP Fixed Asset Disposition Transactions by Secretariat, Department, Asset Type by Fiscal Year (FD)
RPT850D	GAAP Fixed Asset Acquisition Transactions by Secretariat, Department, Fund by Fiscal Year (FA, FB)
RPT850E	GAAP Fixed Asset Disposition by Secretariat, Department, Fund by Fiscal Year (FD)
RPT850F	GAAP Fixed Asset Acquisition by Secretariat, Department, Transaction Code by Fiscal Year (FA, FB)
RPT850G	GAAP Fixed Asset Disposition by Secretariat, Department, Transaction Code by Fiscal Year (FD)
RPT850H	GAAP Fixed Asset FT Report by Secretariat, Department by Fiscal Year
RPT851B	Non-GAAP Fixed Asset Acquisitions by Secretariat, Department, Type by Fiscal Year (FA, FB)
RPT851D	Non-GAAP Fixed Asset Acquisition Transactions by Secretariat, Department, Fund by Fiscal Year (FA, FB)
RPT851F	Non-GAAP Fixed Asset by Secretariat, Department, Transaction Code by Fiscal Year (FA, FB)

#### **Complete List of Fixed Assets Reports**

RPT852A	GAAP Fixed Asset Inventory Report by Fiscal Year
RPT852B	Fixed Asset Inventory Report by Fiscal Year (A complete list of all GAAP & Non-GAAP assets)
RPT852C	Non-GAAP Fixed Asset Inventory Report by Fiscal Year
RPT 852D	Fully Disposed Assets Inventory Report by Fiscal Year

- Final closing Fixed Asset transactions must be processed in MMARS by Monday, June 30, 2004.

### **Special Higher Education Reporting**

#### Statutory Basis

In FY2004, MMARS detail by Institution for non-appropriated funds will again be included in the Commonwealth's Statutory Basis Financial Report (SBFR).

To meet the publication deadline of October 29<sup>th</sup> for the SBFR, institutions must:

- Complete the MMARS posting of FY2004 statutory basis non-appropriated receipts and disbursements by the end of July. From the close of period 12, special coordination with CTR will be required. Departments



should enter transaction, coded with accounting period 12 2004. Institutions should then contact CTR for final processing.

- Post statutory-basis accounts payable data to MMARS using encumbrances by June 30<sup>th</sup>, for Fund 900.
- For Fund 901, provide supplemental information for statutory accounts payable by August 9<sup>th</sup>, 2004.
- On or before September 13<sup>th</sup>, submit fixed asset information and operating and capital lease information for the Commonwealth's SBFR. The fixed asset information should include the amount of fixed assets acquired from capital leases. This information will be disclosed in the notes to the audited financial statements of the Institution.

All higher education institutions must submit the federal student loans schedules and the guaranteed student loan schedule by September 13, 2004. (See GASB 34 Guidance Package for Audited Financial Statements.)

By September 2<sup>nd</sup>, the MMARS trial balance report (RPT110H) will be available on View Direct. This will provide the basis for final reconciliation between MMARS non-appropriated information and each institution's internal systems. The due date for final reconciliation is September 13, 2004, with the final reports, RPT110H and RPT110P available on View Direct on September 18, 2004.

#### GAAP Basis (GASB 35 and GASB 39 Guidance)

All institutions will issue FY2004 audited financial statements in accordance with AICPA-GAAP. These audited financial statements must be issued and received by the Comptroller's Office by October 15, 2004, with an unqualified opinion. The institution must meet the MMARS statutory reporting requirement financials, and a separate analysis related to the *Schedule of Federal Financial Assistance*. The reconciliation must be reviewed by the institution's independent auditors and noted in the footnotes to the financial statements. All institutions should refer to Higher Education guidance issued by the Comptroller's Office at [http://www.mass.gov/osc/accountg/HigherEd/gpackage\\_HigherEd\\_01audit\\_063001.htm](http://www.mass.gov/osc/accountg/HigherEd/gpackage_HigherEd_01audit_063001.htm).

#### Schedule of Key Dates – Higher Education

<u>Event</u>	<u>Date</u>
Close/Open Meeting – Federal Reserve Bank – Boston	April 12, 2004
Close/Open Meeting – Foyer Hoagland Amphitheater – Shrewsbury	April 15, 2004
Preliminary Compensated Absence Information (as of April 30) available on View Direct for review	May 14, 2004
Final Compensated Absence Information Available on View Direct – for use in preparing Audited Financial Statements	July 23, 2004
Higher Education Statutory Accounts Payable (Fund 901)	August 9, 2004
Higher Education Federal Financial Assistance Schedules Distribution	August 9, 2004
FY2004 Encumbrance Lapsing	September 1, 2004
Preliminary RPT110H and RPT110P available on View Direct	September 2, 2004
Higher Education Completion of FY2004 activity through June 30	September 13, 2004
Higher Education Fixed Asset and Lease Information	September 13, 2004
Higher Education Federal Financial Assistance Schedules Due	September 13, 2004
Final 110 Series Reports Available on View Direct	September 18, 2004
Higher Education Audited Financials Due	October 15, 2004
Statutory Basis Financial Report (SBFR) Issued	October 29, 2004
Comprehensive Annual Financial Report (CAFR) Issued	December 31, 2004

## **Section 10**

### **Managing Information**

#### **General Information**

The Commonwealth Information Warehouse (CIW) was developed as the source for ad hoc querying and reporting of data from a variety of source systems including MMARS, PCRS, HR/CMS, PARIS, and the UMASS HR/payroll system. Data currently available in the CIW includes:

- MMARS financial data from FY1993 to present;
- HR/CMS personnel, payroll and time and labor data from January 30, 2000 to present;
- PCRS labor history cost distribution data from FY1995 to present;
- Weekly work assignment history (PARIS) data for the period beginning FY1996 (July 1995) through the last pay period in FY2000 for PMIS (1/29/2000) and for CAPS (3/25/2000); quarter end data is available for FY1990 through FY1995;
- UMASS HR/payroll data from March 2002 to present.

#### **Hours of Operation**

A major CIW infrastructure upgrade in late 2003 allowed us to greatly expand CIW on-line availability. Current CIW hours of operation are:

7:30 AM Monday – 5:30 AM Tuesday  
7:30 AM Tuesday – 5:30 AM Wednesday  
7:30 AM Wednesday – 5:30 AM Thursday  
7:30 AM Thursday – 5:30 AM Friday  
7:30 AM Friday – 10:00 AM Saturday  
12:00 Noon Saturday – 10:00 AM Sunday  
12:00 Noon Sunday – 5:30 AM Monday

#### **Training**

Instructions for connecting to and using the Commonwealth Information Warehouse are available at the CIW intranet site <http://www.iw.state.ma.us/>. Query tools supported by the Information Warehouse team and Commonhelp staff include Microsoft Access and Excel, versions 97 or 2000.

Training in the use of MMARS data in the information warehouse is available through the Comptroller's Office <http://www.mass.gov/osc> and in the use of HR/CMS data in the information warehouse through the HR/CMS training team <http://www.state.ma.us/hrcms>. Direct telephone support is available via Commonhelp at 866- 888-2808.